Fiscal deficit of States

665. SHR! MANOJ BHATTACHARYA: Will the Minister of FINANCE
AND COMPANY AFFAIRS be pleased to state:

(a) whether in the wake of burgeoning fiscal deficits, State Governments have urged upon Central Government to take a lead in pruning the salary outgo of its employees so as to balance their budgets:

(b) if so, the details thereof and the Central Government's reaction thereto; and

(c) what steps are proposed to address the problem of unsustainable level of fiscal deficits?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND . COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) The issue of, expenditure decisions taken by the States being influenced by the actions of the Centre, was put forward by the members of the High Powered Committee for assessing the fiscal situation of States in their meeting. The issue of reducing non-plan revenue expenditure was, *inter-alia,* discussed in the recent meetings of all State Finance Ministers and Chief Ministers on fiscal situation of States. As no consensus emerged on this issue, it was resolved that the State Governments and the Union Government will take decisions on their own.

(c) The primary responsibility for addressing the problem of unsustainable levels of fiscal deficit rests with the State Governments. However, Government of India, in pursuance of the recommendations of the Eleventh Finance Commission, has created a State's Fiscal Reforms Facility (2000-01 to 2004—05). States have been invited to draw their Medium Term Fiscal Reforms Programme aimed at improving revenue deficit/surplus and attaining sustainable fiscal deficit in the medium term.

Besides, Government of India have also put forward a proposal for debt swap to enable States to retire high cost debt to facilitate the process of fiscal consolidation.

Liberalisation of exchange control regulations

666. SHRI PREM CHAND GUPTA: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that the Reserve Bank of India has further liberalized exchange control regulations, allowing NRIs and Persons of Indian Origin (PIOs) to repatriate funds abroad towards education, medical expenses and earnings from property sale; and

(b) if so, what are the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS {SHRI ANANDRAO VITHOBA ADSUL): {a) and (b) Yes, Sir. Authorised dealers have been permitted to allow the facility of repatriation of funds out of balances held by NRIs/PIOs in their Non-resident Ordinary Rupee (NRO) Accounts, for the following purposes:

(i) Upto USD 30,000 per academic year, to meet expenses in connection with education of their children;

(ii) Upto USD 1,00,000 to meet the medical expenses abroad of the account holder or his family members; and

(iii) Upto USD 1,00,000 per year, representing sale proceeds of immovable property, held by them for a period of not less than 10 years, subject to payment of applicable taxes.

District Co-operative Banks in Madhya Pradesh

667. SHRI KAILASH JOSHI: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) the details of District Co-operative Banks in Madhya Pradesh Chhattisgarh;

(b) the amount of losses suffered/profits made by these banks during the last three years; and

(c) whether any irregularities in the working of these banks have come to the notice of Government and if so, the details thereof and the action taken thereon, Bank-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b)

The details of the Distnct Central Co-operative Banks (DCCBs) in the States of Madhya Pradesh and Chhattisgarh as also the bank-wise details of the amount of losses suffered/profit made during the last three years are furnished in enclosed in Statement (see below)